



BAWANY AIR PRODUCTS LIMITED

**FORTY SEVENTH
ANNUAL REPORT
2024-2025**

BAWANY AIR PRODUCTS LIMITED

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Naim Anwer (Chief Executive Officer)
Mr. Mohabat Khan
Mr. Zahir Khan
Mr. Muhammad Ali
Mr. Muhammad Afzal Shehzad
Mr. Suhail Elahi
Ms. Saba Azam

AUDIT COMMITTEE

Ms. Saba Azam (Chairman)
Mr. Mohabat Khan
Mr. Muhammad Ali

HR REMUNERATION & NOMINATION COMMITTEE

Mr. Naim Anwar (Chairman)
Mr. Muhammad Ali
Ms. Saba Azam

HEAD OF INTERNAL AUDIT

Mr. Muhammad Munir

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Muhammad Munir

AUDITORS

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

BANKERS

United Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Bank Makramah Limited

SHARE REGISTRAR

F.D. Registrar Services (Pvt) Ltd.
17th Floor, Saima Trade Tower-A
I.I. Chundrigar Road, Karachi-74000
Te: 021-32271905-6

OFFICE

2nd Floor, Nadir House,
I.I. Chundrigar Road,
Karachi
Tel: 021-32415473

BAWANY AIR PRODUCTS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Seventh Annual General Meeting of the Company will be held at the office situated at 2nd Floor, Nadir House, I.I. Chundrigar Road, Karachi, Sindh on Thursday 27th November 2025 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 46th AGM held on October 28th, 2024.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2025 together with the Chairman's review, Directors' and Auditors' reports thereon.

As required under Section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following QR enabled code:



3. To appoint auditors for the year 2025-2026 and fix their remuneration.
4. To elect eight (7) directors as fixed by the Board of Directors, in accordance with the provision of Section 159 (1) of the Companies Act, 2017 for a term of three years in place of the following retiring directors, who are eligible for re-election:

1. Mr. Naim Anwar	2. Mr. Mohabat Khan
3. Mr. Zahir Khan	4. Mr. Muhammad Ali
5. Mr. Suhail Elahi	6. Mr. M. Afzal Shehzad
7. Ms. Saba Azam	
5. Transact any other business with permission of chair.

Karachi: November 5, 2025

By order of the Board
Company Secretary

NOTES:

1. The Share Transfer Books of the Company shall remain closed from November 21, 2025 to November 27, 2025 (both days inclusive). Transfers received at our registrar office M/s F. D. Registrar Services (Pvt.) Limited 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road Karachi by the close of business on November 20, 2025 will be treated in time.
2. A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend, speak and vote instead of him/her behalf at the meeting. Proxies, in order to be valid, must be received at the registered office of the Company not later than 48 hours before the meeting. A member shall not be entitled to appoint more than one proxy.
3. Central Depository Company (CDC) shareholders are requested to bring their Computerized National Identity Cards, Account/Sub-Account and Participant's ID Number in the CDC for identification purpose when attending the meeting. In case of corporate entity, the Board's Resolution/Power of Attorney with specimen signature shall be furnished (unless it has been provided earlier) at the time of meeting.

4. Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Registrar of the Company are requested to send the same at the earliest.
5. Shareholders are requested to notify to the Company's Share Registrar immediately of any change in their addresses.
6. The Company has arranged for participation of members in general meeting through electronic means (i.e., video-link, webinar, zooming etc.). In this regard, the interested shareholders can request by providing the relevant information (i.e. Name of the Shareholder, CNIC Number, Folio / CDC Account Number, Cell Number, Email Address etc.) to the Company Secretary at least 48 hours before the time of AGM at Email Address: munir@bawanyair.com.
7. Any person who seeks to contest the election to the office of a Director, whether he/she is a retiring director or otherwise, shall file required documents under section 159 of the Companies Act 2017, Companies (General Provisions and Forms) Regulations 2018, Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria, as set out in Section 153 of the Companies Act, 2017 to act as director or an independent director of a listed Company with the Company Secretary, at the Registered Office of the Company, situated at 2nd Floor, Nadir House, I. I. Chundrigar Road, Karachi, 14 days before the date of the Annual General Meeting:

The final list of contesting Directors will be circulated not later than seven days before the date of said meeting, in terms of Section 159(4) of the Companies Act, 2017.

8. It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for election of directors at the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:

i) E-Voting Procedure

- (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company within due course.
- (b) The web address: login details, will be communicated to members via email.
- (c) Identity of the members intending to cast vote through E-voting shall be authenticated through authenticated login.
- (d) E-Voting lines will start from November 24, 2025 10:00 am and shall close on November 26, 2025 at 5 p.m. Members can cast their votes any time in the period.

ii) Postal Ballot

For voting through Postal Ballot members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018 subject to the requirement of Section 143 to 145 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within the legal time frame as stipulated under these said Regulations, if required.

The members shall ensure that duly filed and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's registered office one day before the AGM i.e. November 26, 2025 during the working hours. The signature on the ballot paper shall match with the signature on CNIC or Company records.

9. In accordance with the applicable law mentioned above in Note 7 above, M/S. DCCL (Private) Limited have been appointed as the e-voting service provider and M/s S.M Sohail & Co., Chartered Accountants, have been appointed as scrutinizer to monitor and validate voting for election of directors.
10. Members have the option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Members can give their consent in this regard on prescribed format to the Shares Registrar. The Audited Accounts of the Company for the year ended June 30, 2025 are also available on the Company's website: www.bawanyair.com.
11. In accordance with the directive issued by the SECP vide it is S.R.O. 452(I)/2025 dated March 17, 2025 the Company would like to inform all the shareholder that no gifts will be distributed at the meeting.
12. Form of Proxy is enclosed.

CHAIRMAN's REVIEW

In the name of ALLAH, the Most Merciful and the Most Benevolent.

Dear Shareholders,

I am pleased to enclose the financial statements of our Company for the year ended June 30, 2025.

Overview of performance of the Company and the Board

The Company incurred a net loss of Rs. 54.049 million for the year ended June 30, 2025, compared to a loss of Rs. 22.623 million in the previous year. As a result, accumulated losses increased to Rs. 104.279 million as of June 30, 2025, up from Rs. 50.231 million in the prior year, primarily due to the regulatory fee paid for the increase in authorized capital.

Business Transformation

- In 2025, the Company transformed its business from gas manufacturing to investment and securities. It signed an agreement to acquire 100% of Alman Seyyam Sugar Mills (ASSML) by issuing shares to its sponsors, and will offer Right Shares to existing shareholders post-takeover.
- The authorized capital has been raised to PKR 11 billion. ASSML's 10,000 MT/day sugar plant under construction at Dera Ismail Khan is expected to generate dividends and enhance shareholder value.
- Additionally, the Company has been shifted from the PSX non-compliant counter to the normal trading counter, marking a major achievement.

Frequency of the meetings

During the year five (5) meetings of the Board of Directors, four (4) meetings of its Audit Committee and four (1) meetings of the Human Resource Committee were held.

Composition of the Board

In pursuance of the Code, the Company encourages representation of Independent and Non-Executive Directors with gender diversity on its Board. The existing Board of the Company, comprising 7 (seven) members and having core competencies, diversity, requisite skills, knowledge, and experience, fulfils the criteria as considered relevant in the context of the company's operations. Details of the composition of the Board and its Committees are appearing in the "Statement of Compliance with Listed Companies Code of Corporate Governance".

Role of the Chairman

In my capacity as Chairman, I always try to ensure that:

- Board receives adequate, accurate, clear, complete, and reliable information in a timely manner.
- Board members are briefed on important and significant matters.
- All key issues are discussed in detail by the Board.

We remain grateful for the support, trust and confidence of all our stakeholders including our shareholders, employees and their families.

Naim Anwar
Chairman

Karachi

Dated: November 05, 2025

DIRECTOR'S REPORT TO THE MEMBERS

Dear Shareholders,

Directors of your Company are pleased to present the Annual Report along with the audited financial statements for the year ended June 30, 2025.

OVERVIEW

The year 2025 has seen revival of the Company with change in object clause from manufacturing, production and trading of oxygen gas, dissolved acetylene and nitrogen gas to invest in and acquire and hold and otherwise deal in shares, stock, debenture, debenture stock, bonds, obligations and securities issued or guaranteed. The Company has signed Share Purchase Agreement with Alman Seyyem Sugar Mills (Pvt.) Limited (ASSML) whereby the Company will acquire 100% shareholding in ASSML from the sponsor shareholders of ASSML and in consideration of this acquisition the Company will issue shares Otherwise than Right to the Sponsor shareholders of ASSML. Intention of Takeover under the takeover Regulations have also been given by the sponsor shareholders of ASSML.

The Company has also announced Right shares which will be offered to existing shareholders after completion of the Takeover Process. The authorized capital of the company has been increased to PKR 11 billion for which a fee of PKR 43.8 million has already been paid.

The acquisition of ASSML a 10,000 MT / Day crushing capacity plant, currently under construction at Dera Ismail Khan will greatly benefit the shareholders. ASSML plant components are of Pakistan, UK, German, Japan and China origin. With 10,000 MTCD already planned, ASSML has targeted a substantial share in the local and international markets as a quality producer of refined white sugar & molasses. By investing in ASSML the company can earn return in the form of dividends, consequently give returns to the shareholders.

PSX removal of the Company from non-complaint counter to normal trading counter marks a significant step achieved after many years of being in the non-compliant counter.

The Financial Highlights of the Company as compared to last year are as follows:

Description	2025	2024
	Rupees	
Current Assets	3,184,701,641	30,580,645
Current Liabilities	5,373,123	6,517,965
Equity	(29,254,312)	24,794,474
(Loss) after taxation for the year	(54,048,786)	(22,623,294)
Net (decrease) in cash and cash equivalents	(19,192,991)	(62,595,468)

PERFORMANCE ANALYSIS:

Current Assets and Current Liabilities

The company's current assets grew substantially from Rs. 30,580,645 in 2024 to Rs. 3,184,701,641 in 2025. Current liabilities decreased from Rs. 6,517,965, in 2024 to Rs. 5,373,123 in 2025.

Net Loss:

The company reported a net loss after tax of Rs. 54,048,786 in 2025, compared to a net loss of Rs. 22,623,294 in 2024. The increase in net loss is largely due to expenses incurred for the enhancement of authorized capital, amounting to Rs. 43.86 million.

AUDIT REPORT AND MANAGEMENT COMMENTS THEREON

The auditors have included an emphasis of matter in the audit report, drawing attention to Note 1.3, which highlights the Company's net loss of PKR 54.048 million for the year ended June 30, 2025, which is mainly due to increase in authorized capital fee charged to P&L account. Accumulated losses have also risen to PKR 104.28. The Company has taken steps to improve its financial position, including passing of resolution for increase its authorized capital and restructuring its board. Furthermore, it signed an agreement to acquire Alman Seyyam Sugar Mill and shifted its business focus to investments.

KEY OPERATING AND FINANCIAL DATA FOR LAST 10 YEARS

Year	Sales – net	Gross profit (loss)	Profit / (loss) before taxation	Shareholder's equity	Total current assets	Total current liabilities	Earnings per share
	----- Rupees in million -----						Rupees
2016	94.43	5.12	(17.66)	58.00	17.82	63.43	(2.35)
2017	82.70	2.24	(19.14)	42.35	15.43	71.26	(2.14)
2018	89.08	4.39	15.35	62.58	16.22	79.66	(2.19)
2019	51.91	0.38	(19.82)	37.90	10.53	85.14	(1.93)
2020	12.80	(3.35)	(85.23)	15.22	8.93	94.14	(11.62)
2021	-	-	(18.14)	(2.92)	9.02	93.25	(2.42)
2022	-	-	(9.05)	(11.97)	8.80	101.90	(1.21)
2023	-	-	59.39	47.41	93.26	46.66	7.92
2024	-	-	(22.46)	24.79	30.58	6.51	(3.02)
2025	-	-	(54.05)	(29.25)	3,184.70	5.373	(7.20)

BOARD OF DIRECTORS

Following are the changes in the composition of Board of Directors during the year ended June 30, 2025:

NEW DIRECTORS	OLD DIRECTORS
Ms. Saba Azam	Mr.Vali Muhammad Yahya
Mr. Muhammad Ali	Mr. Tanveer Ahmed
Mr. M. Afzal Shehzad	Mr. Momiza Kapadia
Mr. Suhail Elahi	Mr. Hanif Bawany

AUDITORS

The statutory auditors of the company, M/s Naveed Zafar Ashfaq Jaffery, Chartered Accountants, have completed their audit of the company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended 30 June 2025 and shall retire on the conclusion of the 47th Annual General Meeting. The Audit Committee recommends appointment of M/s Mushtaq & Co., Chartered Accountants to be Company's auditors for the financial year ending 30 June 2026 on terms and remuneration negotiated by the Chief Executive Officer.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- a) The financial statements prepared by the management of the Company present fairly the status of affairs, the result of its operations and cash flows and changes in equity;
- b) Proper books of accounts of the Company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of financial statement and accounting estimates are based on reasonable and prudent judgment;
- d) International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements;
- e) The system of internal control is sound in design and has been effectively implemented and monitored;
- f) Auditors note on going concern is due to loss in the year which is mainly due to increase in authorized capital fee of PKR 43.8 million charged to P&L account. The financials have been prepared on going concern basis.

- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations, exceptions, if any have been notified in the Statement of Compliance with the Code of Corporate Governance;
- h) Key operating and financial data for the last ten years have been summarized;

During the year 5 meetings of the Board of Directors were held. Attendance by each Director is as follows:

Name of the Directors	No. of meetings attended
Mr. Naim Anwar	5
Mr. Mohabat Khan	1
Mr. Zahir Khan	1
Mr. Muhammad Ali	2
Mr. M. Afzal Shehzad	5
Mr. Suhail Elahi	5
Ms. Saba Azam	5

Leave of absence was granted to Director(s) who could not attend some of the Board meetings.

- i) The pattern of shareholding is annexed; and
- j) Neither the Chief Executive Officer nor any other Directors have purchased any shares of the Company.

ACKNOWLEDGEMENT

The Board wishes to express appreciation and place on record its gratitude for the faith reposed in and co-operation extended to the Company by the State Government, various Government agencies / Departments, Financial Institutions, Banks, Customers, Suppliers and Investors of the Company. Your Directors place on record their appreciation of the dedicated and sincere services rendered by the Employees of the Company.

We are grateful to our valued shareholders for the continuous support extended to the management.

On behalf of the Board

Naim Anwar
Chief Executive Officer
Karachi
Dated: November 5, 2025

Muhammad Ali
Director

ڈائریکٹرز کی رپورٹ برائے اراکین

محترم حصص یافتگان،
آپ کی کمپنی کے ڈائریکٹرز کو یہ رپورٹ بمعہ آڈٹ شدہ مالی بیانات برائے سال اختتام پذیر 30 جون 2025 پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

جائزہ

سال 2025 کمپنی کی بحالی کا سال ثابت ہوا ہے، جس کے دوران کمپنی کے مقاصد میں تبدیلی کی گئی۔ کمپنی کا مقصد آکسیجن گیس، ڈزالوڈ ایسیٹیلین اور نائٹروجن گیس کی تیاری، پیداوار اور تجارت سے بدل کر حصص، اسٹاک، ڈیبنچر، ڈیبنچر اسٹاک، بانڈز، واجبات اور ضمانت یافتہ سیکیورٹیز میں سرمایہ کاری، حصول اور لین دین کرنا قرار دیا گیا ہے۔

کمپنی نے المن سیٹیم شوگر ملز (پرائیویٹ) لمیٹڈ (ASSML) کے ساتھ شیئر خریداری معاہدہ (Purchase Share Agreement) پر دستخط کیے ہیں، جس کے تحت کمپنی ASSML کے اسپانسر حصص یافتگان سے 100% حصص حاصل کرے گی۔ اس خریداری کے عوض کمپنی اسپانسر حصص یافتگان کو شیئرز "Right Otherwise than" کے طور پر جاری کرے گی۔ علاوہ ازیں، ASSML کے اسپانسر حصص یافتگان نے ٹیک اوور ریگولیشنز کے تحت ٹیک اوور کی نیت (Intention of Takeover) بھی ظاہر کر دی ہے۔

کمپنی نے رائٹ شیئرز کے اجرا کا بھی اعلان کیا ہے، جو ٹیک اوور کے عمل کی تکمیل کے بعد موجودہ حصص یافتگان کو پیش کیے جائیں گے۔ کمپنی کے مجاز سرمایہ (Authorized Capital) میں اضافہ کر کے اسے 11 ارب روپے کر دیا گیا ہے، جس کے لیے 4 کروڑ 38 لاکھ روپے کی فیس پہلے ہی ادا کی جا چکی ہے۔

المن سیٹیم شوگر ملز (پرائیویٹ) لمیٹڈ جو کہ 10,000 میٹرک ٹن فی دن کرشنگ کی صلاحیت رکھنے والا پلانٹ ہے اور اس وقت ڈیرہ اسماعیل خان میں زیر تعمیر ہے، کی خریداری حصص یافتگان کے لیے نہایت فائدہ مند ثابت ہوگی۔ ASSML کے پلانٹ کے اجزاء پاکستان، برطانیہ، جرمنی، جاپان اور چین سے تیار کیے گئے ہیں۔ 1000 میٹرک ٹن یومیہ کرشنگ کی گنجائش کے ساتھ، ASSML نے مقامی اور بین الاقوامی منڈیوں میں اعلیٰ معیار کی ریفائنڈ سفید چینی اور مولاسس کے نمایاں سپلائر کے طور پر بڑا مارکیٹ شیئر حاصل کرنے کا ہدف مقرر کیا ہے۔ المن سیٹیم شوگر ملز (پرائیویٹ) لمیٹڈ میں سرمایہ کاری کے ذریعے کمپنی ڈیویڈنڈز کی صورت میں منافع حاصل کر سکے گی، جو بالآخر حصص یافتگان کو منافع کی صورت میں واپس ملے گا۔

پاکستان اسٹاک ایکسچینج (PSX) کی جانب سے کمپنی کو نان کمپلائنٹ کاؤنٹر سے ہٹا کر نارمل ٹریڈنگ کاؤنٹر میں شامل کرنا ایک اہم پیش رفت ہے، جو کئی سال بعد حاصل ہونے والا قابل ذکر سنگ میل ہے۔

کمپنی کی مالی کارکردگی کے نمایاں نکات گزشتہ سال کے مقابلے میں درج ذیل ہیں:

2024	2025	تفصیل
	روپے	
30,580,645	3,184,701,641	موجودہ اثاثے
6,517,965	5,373,123	موجودہ واجبات
24,794,474	(29,254,312)	سرمایہ
(22,623,294)	(54,048,786)	سال کے لیے ٹیکس کے بعد (نقصان)
(62,595,468)	(19,192,991)	نقد اور نقدی مساوی جات میں خالص (کمی)

کارکردگی کا تجزیہ:

موجودہ اثاثے اور موجودہ واجبات

کمپنی کے موجودہ اثاثے میں نمایاں اضافہ ہوا ہے، جو سال 2024 میں 30,580,645 روپے سے بڑھ کر سال 2025 میں 3,184,701,641 روپے ہو گئے۔ دوسری جانب، موجودہ واجبات میں کمی واقع ہوئی ہے، جو سال 2024 میں 6,517,965 روپے سے کم ہو کر سال 2025 میں 5,373,123 روپے رہ گئی ہیں۔

خالص نقصان:

کمپنی نے سال 2025 میں ٹیکس کے بعد روپے 54,048,786 کا خالص نقصان ظاہر کیا ہے، جو کہ سال 2024 میں ہونے والے روپے 22,623,294 کے خالص نقصان سے زیادہ ہے۔ خالص نقصان میں اس اضافے کی بڑی وجہ مجاز سرمایہ (Authorized Capital) میں اضافے سے متعلق اخراجات ہیں، جو روپے 43.86 ملین کے برابر ہیں۔

آڈٹ رپورٹ اور اس پر انتظامیہ کے تبصرے:

آڈیٹرز نے اپنی رپورٹ میں "Emphasis of Matter" شامل کی ہے، جس میں نوٹ 1.3 کی جانب توجہ مبذول کرائی گئی ہے۔ اس نوٹ میں کمپنی کے سال 30 جون 2025 کو ختم ہونے والے مالی سال کے روپے 54.048 ملین کے خالص نقصان کی وضاحت کی گئی ہے، جو بنیادی طور پر مجاز سرمایہ کی فیس کو منافع و نقصان کے کھاتے میں چارج کرنے کے باعث ہوا۔ کمپنی کے جمع شدہ نقصانات (Accumulated Losses) بھی بڑھ کر روپے 104.28 ملین ہو گئے ہیں۔ تاہم، کمپنی نے اپنی مالی حالت بہتر بنانے کے لیے متعدد اقدامات کیے ہیں، جن میں مجاز سرمایہ میں اضافے کی قرارداد کی منظوری، بورڈ کی تنظیم نو (Restructuring)، اور المن سیٹیم شوگر ملز کے حصول کے لیے معاہدے پر دستخط شامل ہیں۔ اس کے علاوہ کمپنی نے اپنا کاروباری فوکس سرمایہ کاریوں کی طرف منتقل کر دیا ہے۔

سال	خالص فروخت	مجموعی منافع / (نقصان)	ٹیکس سے پہلے منافع / (نقصان)	حصص یافتگان کا سرمایہ	کل موجودہ اثاثے	کل موجودہ واجبات	فی حصص آمدنی
							روپے
2016	94.43	5.12	(17.66)	58.00	17.82	63.43	-2.35
2017	82.70	2.24	(19.14)	42.35	15.43	71.26	-2.14
2018	89.08	4.39	15.35	62.58	16.22	79.66	-2.19
2019	51.91	0.38	(19.82)	37.90	10.53	85.14	-1.93
2020	12.80	(3.35)	(85.23)	15.22	8.93	94.14	-11.62
2021	-	-	(18.14)	(2.92)	9.02	93.25	-2.42
2022	-	-	(9.05)	(11.97)	8.80	101.90	-1.21
2023	-	-	59.39	47.41	93.26	46.66	7.92
2024	-	-	(22.46)	24.79	30.58	6.51	-3.02
2025	-	-	(54.05)	(29.25)	3,184.70	5.37	-7.2

بورڈ آف ڈائریکٹرز

سال ختم شدہ 30 جون 2025 کے دوران بورڈ آف ڈائریکٹرز کی تشکیل میں درج ذیل تبدیلیاں کی گئی ہیں:

نئے ڈائریکٹرز	پرانے ڈائریکٹرز
محترمہ صبا اعظم	مسٹر ولی محمد یحییٰ
مسٹر محمد علی	مسٹر تنویر احمد
مسٹر ایم۔ افضل شہزاد	مسٹر مومیزہ کپادیہ
مسٹر سہیل الہی	مسٹر حنیف باوانی

آڈیٹرز

کمپنی کے قانونی آڈیٹرز، ایم/ایس نوید ظفر اشفاق جعفری، چارٹرڈ اکاؤنٹنٹس، نے مالی سال ختم شدہ 30 جون 2025 کے لیے کمپنی کے مالی بیانات اور کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کے بیان کا آڈٹ مکمل کر لیا ہے اور وہ 47ویں سالانہ عام اجلاس کے اختتام پر ریٹائر ہو جائیں گے۔ آڈٹ کمیٹی نے سفارش کی ہے کہ ایم/ایس مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کو مالی سال ختم ہونے والا 30 جون 2026 کے لیے کمپنی کے آڈیٹرز کے طور پر تعینات کیا جائے، جن کی شرائط و معاوضہ چیف ایگزیکٹو آفیسر کے ذریعے طے کیے جائیں گے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کا بیان

- کمپنی کے انتظامیہ کی جانب سے تیار کردہ مالی بیانات کمپنی کے مالی امور، نتائج کارکردگی، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو درست طور پر ظاہر کرتے ہیں؛
- کمپنی کی باقاعدہ اکاؤنٹس کی کتب برقرار رکھی گئی ہیں؛
- مناسب اکاؤنٹنگ پالیسیز کو مالی بیانات کی تیاری میں مستقل طور پر نافذ کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں؛
- پاکستان میں نافذ بین الاقوامی اکاؤنٹنگ معیارات کو مالی بیانات کی تیاری میں اپنایا گیا ہے؛
- اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے مضبوط ہے اور مؤثر طور پر نافذ و مانیتئر کیا گیا ہے؛
- آڈیٹرز کا "گوانگ کنسرن" نوٹ سال کے نقصان کی وجہ سے ہے، جو بنیادی طور پر مجاز سرمایہ فیس 43.8 ملین روپے کے منافع و نقصان اکاؤنٹ میں چارج ہونے کی وجہ سے ہوا۔ مالی بیانات "گوانگ کنسرن" کی بنیاد پر تیار کیے گئے ہیں؛
- کارپوریٹ گورننس کے بہترین اصولوں سے کوئی نمایاں انحراف نہیں ہوا، جیسا کہ لسٹنگ ریگولیشنز میں درج ہے، کسی استثناء کی صورت میں اسے کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کے بیان میں ظاہر کیا گیا ہے؛
- گزشتہ دس سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کو خلاصہ کیا گیا ہے۔

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

ڈائریکٹرز کے نام

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مسٹر نعیم انور

مسٹر محبت خان

مسٹر طاہر خان

مسٹر محمد علی

مسٹر ایم۔ افضل شہزاد

مسٹر سہیل الہی

محترمہ صبا اعظم

وہ ڈائریکٹرز جو بورڈ کے بعض اجلاسوں میں شرکت نہیں کر سکے، انہیں غیر حاضری کی چھٹی منظور کی گئی۔
i شیئر ہولڈنگ کا پیٹرن منسلک کیا گیا ہے؛
j نہ تو چیف ایگزیکٹو آفیسر اور نہ ہی کسی دوسرے ڈائریکٹر نے کمپنی کے کوئی شیئر خریدے ہیں۔

تشکر کا اظہار

بورڈ اس امر کا اظہار کرنا چاہتا ہے کہ وہ ریاستی حکومت، مختلف سرکاری اداروں / محکموں، مالیاتی اداروں، بینکوں، صارفین، سپلائرز اور کمپنی کے سرمایہ کاروں کی جانب سے کمپنی پر کیے گئے اعتماد اور تعاون کے لیے دلی طور پر شکر گزار ہے۔ آپ کے ڈائریکٹرز کمپنی کے ملازمین کی جانب سے دی جانے والی مخلصانہ اور انتھک خدمات کا اعتراف کرتے ہوئے ان کی قدردانی کرتے ہیں۔

ہم اپنے معزز شیئر ہولڈرز کے بھی شکر گزار ہیں جنہوں نے انتظامیہ کو مسلسل حمایت فراہم کی۔

بورڈ کی جانب سے

محمد علی
ڈائریکٹر

نعیم انور
چیف ایگزیکٹو آفیسر

کراچی
تاریخ: 5 نومبر، 2025

GENDER PAY GAP STATEMENT

under SECP Circular 10 of 2024

Bawany Air Products Limited (BAPL) is committed to cultivating a fair and equitable workplace. Our commitment to Diversity, Equity, and Inclusion (DE&I) is central to our talent acquisition and employee engagement strategies, strengthen our diverse talent pipeline, and reinforce our foundational commitment to building an inclusive organization where every employee can thrive.

The gender pay gap on an overall basis for the year ended June 30, 2025, is as under:

- Median Gender Pay Gap is -100%.
- Mean Gender Pay Gap is -100%

The remuneration philosophy at BAPL does not differentiate based on gender. Employee remuneration is determined based on several factors, including professional experience, tenure, education, job role, performance, market dynamics and geographical location.

Naim Anwar
Chief Executive Office

Karachi
November 05, 2025

VISION

Bawany Air Products Limited (the Company) is a public limited Company incorporated in Pakistan on August 16, 1978. The Company is currently listed on Pakistan Stock Exchange Limited. The Company has changed its object clause from manufacturing and production and trading of oxygen gas, dissolved acetylene and nitrogen gas to invest in and acquire and hold and otherwise deal in shares, stock, debenture, debenture stock, bonds, obligations and securities issued or guaranteed. The Company has signed Share Purchase Agreement with Alman Seyyem Sugar Mills (Pvt.) Limited (ASSML) whereby the Company will acquire 100% shareholding in ASSML from the sponsor shareholders of ASSML

MISSION

Our mission is to be a dynamic, professional and growth oriented organization and to always strive for excellence by making quality investments with focused strategy.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

We the directors and staff members of Bawany Air Products Limited adhere to the best practices of business and ethics based on the following principles:

1. Respect of individuals.
2. Fair business practices.
3. Company with all the regulatory requirements and laws of the country.
4. Transparency in transaction and following proper, acceptable accounting procedures as approved by international and national standards and regulations.
5. Anticipate integrity, honesty and responsibility from all the employees in doing business.
6. Safeguarding and proper use of Company's assets.
7. Avoid political affiliations and contributions.

**Statement of Compliance with
Listed Companies (Code of Corporate Governance) Regulations, 2019**

**BAWANY AIR PRODUCTS LIMITED
FOR THE YEAR ENDED JUNE 30, 2025**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (7) as per the following:
 - a. Male: 6
 - b. Female: 1
2. The composition of board of directors is as follows:

Category	Names
Independent Directors	Mr. Mohabat Khan Ms. Saba Azam
Chief Executive Officer	Mr. Naim Anwar
Non – Executive Directors	Mr. Zahir Khan Mr. Muhammad Ali Mr. M. Afzal Shehzad Mr. Suhail Elahi

The independent director meets the criteria of independence as laid down under the Code, Regulations and Companies Act, 2017.

It is mandatory for every listed company to have at least two or one-third of the Board members as independent directors. Since the Company has only two independent directors on the approved list, therefore the company has opted to have only two directors which is in compliance with the CCG requirements.

3. The directors have confirmed that none of them is serving as a director on more than seven listed Companies including this Company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along-with the dates on which they were approved or amended has not been maintained, however, the Board is in the process of developing the said policies
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of

meeting of board.

8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. One of the directors who has long experience has been exempted from the training by the commission. All other directors who have been newly appointed will undertake the director training program once the restructuring of the company is completed.
10. There was no new appointment of Chief Financial Officer (CFO) or Company Secretary or Head of Internal Audit during the year.
11. CEO and CFO have duly endorsed the financial statements before approval of the board.
12. The board has formed the following committees comprising of the members given below:
 - a) Audit Committee

Ms. Saba Azam	Chairperson
Mr. Mohabat Khan	Member
Mr. Muhammad Ali	Member
 - b) HR Remuneration & Nomination Committee

Mr. Naim Anwar	Chairman
Mr. Muhammad Ali	Member
Ms. Saba Azam	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per the following basis:
 - a) Audit Committee - Quarterly basis
 - b) HR Remuneration & Nomination Committee – Annual basis
15. The board has not set up an effective internal audit function and its members are not considered suitably qualified.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not close relative (spouses, parent dependent and non-dependent children) of the Chief Executive Officer, Head of Internal Audit, Company Secretary, CFO and Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. The board has been recently re-constituted and as the company is undergoing restructuring scheme, the board will get over the period awareness of both current and emerging sustainability /ESG-related risk and opportunities, and it consistently monitors and oversees the organization's progress in achieving its set goals in these areas.
19. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 & 36 of Regulations have been complied with.
20. Explanations for non-compliance with requirements, other than regulations 3, 7, 8, 27, 32, 33 & 36 (non-mandatory requirements) are below:

S. No.	Requirement	Explanation	Reg. No.
1	It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. For the purposes of this sub-regulation, a listed company shall explain the reasons, in the compliance report, if any fraction contained in such one-third number which is not rounded up as one.	Fractional requirement for independent directors has not been rounded up to one as fraction below 0.5 is considered as zero.	6(1)
2	Role of the Board and its members to address sustainability risk and opportunities: The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee	As the company is in restructuring stage, the Board provides governance & oversight in relation to Company's initiatives on environmental, social and governance (ESG) matters and prefers to continue the same practice without having separate sustainability committee.	10(1)
3	The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (11/2024 dated 12th June, 2024.	As per the regulations, the company has disclosed key elements of its significant policies and intends to add its policy on DE&I & protection against harassment at the workplace in near future.	35 (1)

4	There shall be an internal audit function in every company.	The Company is in the restructuring phase as such the internal audit function is carried out by CFO.	31(1)
5	The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.	The Company is in the restructuring phase and in order to cut cost in all related departments functions of the CFO and Company Secretary are being performed by the same person.	24
6	No person shall be appointed as CFO unless he/she holds qualification as per regulation 22.	The Company is in the restructuring phase as such the existing senior accounts person is carrying out the functions of CFO.	22
7	No person shall appointed as Company Secretary unless he/she holds a qualification as per regulation 52 of S.R.O 201(I)/2024 issued by SECP.	No qualified company secretary has been appointed and we made this CFO the company secretary for the time being.	24

MUHAMMAD ALI

Director

Dated: November 05, 2025

NAIM ANWAR

Chief Executive Officer

**Independent Auditor's Review Report to the members of Bawany Air Products Limited on the
Statement of Compliance contained in Listed Companies (Code of Corporate Governance)
Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Bawany Air Products Limited** (the Company) for the year ended June, 30 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June, 30 2025.

Further, we highlighted below instances of non-compliance with the requirements of the Regulations as reflected in the note/paragraph reference where it is stated in the Statement of Compliance.”

Regulation	Non-Compliance
10(1)(iv)	No effective internal control system is established and implemented within the Company;
10(4)	Complete record of particulars of significant policies required under the regulation 10(4) has not been maintained by the company and the board is in the process of developing the said policies.
18(2)	Except for the CEO namely Naim Anwar, exemption from the Commission, in respect of the directors' training program is not obtained as required under Regulation 18(2) of the Code.
22	CFO does not meets the qualification criteria as per regulation 22
24	Offices of the Company Secretary and Chief Financial Officer are being held by the same person.
24	Company secretary does not meets the qualification criteria as per regulation 52 of S.R.O 201(1)/ 2024 issued by SECP
28(2)	Chief Executive Officer of the Company namely Naim Anwar is the chairman of human resource and remuneration committee.

31	The company has not setup an effective internal audit function.
31(6)	Company has appointed it's CFO to carry out it's internal audit function.

Chartered Accountants

Engagement Partner:

Karachi

Dated : November 06, 2025

UDIN : CR2025105320t1h3NxJ2

KEY OPERATING AND FINANCIAL DATA FOR THE DECADE

PARTICULARS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FINANCIAL POSITION										
Shareholders' equity	(29,254,312)	24,794,475	47,417,768	(11,970,293)	(2,836,820)	(83,785,181)	2,777,483	16,165,826	27,638,123	58,002,888
Surplus on revaluation	-	-	-	-	-	99,007,533	35,118,869	35,884,752	36,702,131	21,295,679
Share application money	3,197,120,000	-	-	-	-	-	-	-	-	-
Non-current liabilities	11,596,988	-	-	45,166,660	45,166,660	50,063,663	51,219,943	61,007,378	62,721,588	48,221,222
Current liabilities	5,373,123	6,517,965	46,663,045	101,909,169	93,168,216	94,137,253	85,143,518	83,886,294	75,483,447	63,748,676
Total Equity and Liabilities	3,184,835,799	31,312,440	94,080,813	135,105,536	135,498,056	159,423,268	174,259,813	196,944,250	202,545,289	191,268,465
Property, plant and equipment	134,158	731,795	813,106	860,170	1,034,950	147,491,688	160,730,656	177,559,562	183,889,558	170,228,692
Long term deposits	-	-	-	2,342,084	2,342,084	3,001,494	3,001,494	3,161,358	3,221,357	3,221,357
Deferred tax asset	-	-	-	-	-	-	-	-	-	-
Current assets	3,184,701,641	30,580,645	93,267,707	8,803,014	9,020,754	8,930,087	10,527,663	16,223,330	15,434,374	17,818,416
Non current assets held for sale	-	-	-	123,100,268	123,100,268	-	-	-	-	-
Total Assets	3,184,835,799	31,312,440	94,080,813	135,105,536	135,498,056	159,423,269	174,259,813	196,944,250	202,545,289	191,268,465
FINANCIAL PERFORMANCE										
Net sales	-	-	-	-	-	12,795,636	51,909,593	89,088,321	82,702,366	94,437,668
Cost of sales	-	-	-	-	-	(16,145,085)	(51,526,899)	(84,695,888)	(80,462,022)	(89,324,880)
Gross (loss) / profit	-	-	-	-	-	(3,349,449)	382,694	4,392,433	2,240,344	5,112,788
Expenses - net of other income	(52,888,572)	(22,447,619)	59,399,330	(9,024,259)	(16,797,991)	(81,244,907)	(19,404,544)	(18,804,804)	(19,503,604)	(20,330,959)
Profit / (loss) before Interest and tax	(52,888,572)	(22,447,619)	59,399,330	(9,024,259)	(16,797,991)	(84,594,356)	(19,021,850)	(14,412,371)	(17,263,260)	(15,218,171)
(Finance cost) / Income - net	(1,159,993)	(7,553)	(10,988)	(30,128)	-1261181	(636,232)	(796,091)	(934,697)	(1,872,155)	(2,443,681)
Profit / (loss) before tax	(54,048,565)	(22,455,172)	59,388,342	(9,054,387)	(18,059,172)	(85,230,588)	(19,817,941)	(15,347,068)	(19,135,415)	(17,661,852)
Tax / Levis	(221)	(168,122)	(281)	(86)	-	(1,956,524)	5,350,890	2,707,087	3,106,789	(3,090)
Profit / (loss) after tax	(54,048,786)	(22,623,294)	59,388,061	(9,054,473)	(18,059,172)	(87,187,112)	(14,467,051)	(12,639,981)	(16,028,626)	(17,664,942)
STATISTICS AND RATIO										
Gross profit %	0%	0%	0%	0%	0%	(26%)	1%	5%	3%	5%
(Loss) / profit before tax to total sales %	0%	0%	0%	0%	0%	(666%)	(38%)	(17%)	(23%)	(19%)
(Loss) / profit after tax to total sales %	0%	0%	0%	0%	0%	(681%)	(28%)	(14%)	(19%)	(19%)
Current ratio	59271%	469%	200%	9%	10%	9%	12%	19%	20%	28%
Asset turnover ratio	0%	0%	0%	0%	0%	9%	32%	50%	45%	55%
Current Assets Turnover - times	-	-	-	-	-	1.32	3.88	5.63	4.97	5.43
Long term debt to equity ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%	19%
Return on equity before tax %	185%	(91%)	125%	76%	637%	102%	(714%)	(95%)	(69%)	(30%)
Return on equity after tax %	185%	(91%)	125%	76%	637%	104%	(521%)	(78%)	(58%)	(30%)
Interest Cover	(45.59)	(2,972.01)	5,405.84	(299.53)	(13.32)	(132.96)	(23.89)	(15.42)	(9.22)	(6.23)
Earning per share (Rs.)	(7.20)	(3.02)	7.92	(1.21)	(2.25)	(2.25)	(1.93)	(2.19)	(2.14)	(2.35)
Price earning ratio	(6)	(12)	1	(8)	(6)	(10)	(3)	(3)	(4)	(3)
Market price per share at year end	41.15	34.90	9.58	9.45	13.69	23.16	5.56	6.55	8.00	6.00
Cash dividend	-	-	-	-	-	-	-	-	-	-
Stock dividend	-	-	-	-	-	-	-	-	-	-

BAWANY AIR PRODUCTS LIMITED
PATTERN OF CERTIFICATE HOLDING - FORM "34"
SHAREHOLDERS STATISTICS AS AT JUNE 30, 2025

Number of Certificate Holders	From	Certificate Holding To	Certificate Held
461	1	100	13,078
284	101	500	89,911
181	501	1000	155,225
195	1001	5000	483,522
49	5001	10000	358,577
20	10001	15000	257,608
18	15001	20000	319,703
10	20001	25000	231,401
1	25001	30000	28,880
1	30001	35000	31,000
1	35001	40000	38,000
1	40001	45000	45,000
4	45001	50000	196,790
2	50001	55000	107,694
1	55001	60000	57,145
2	60001	65000	126,029
2	65001	70000	133,600
2	95001	100000	196,501
1	105001	110000	105,295
1	130001	135000	132,754
1	135001	140000	139,531
1	160001	165000	162,110
1	195001	200000	200,000
1	220001	225000	222,149
2	230001	235000	462,459
1	320001	325000	322,115
1	330001	335000	330,028
1	375001	380000	375,011
1	850001	855000	854,422
1	1325001	1330000	1,326,972
1248			7,502,510

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
Individuals	1,222	4,244,551	56.58
Joint Stock Companies	18	3,052,331	40.68
Financial Institutions	1	42	0.00
Insurance Companies	1	132,754	1.77
Investment Companies	1	200	0.00
NIT and ICP	1	100	0.00
Others	4	72,532	0.97
	1,248	7,502,510	100.00

BAWANY AIR PRODUCTS LIMITED

Categories Shareholders as on June 30, 2025

S. No.	Categories Shareholders	Shareholders	Shares Held	Total
1	Directors, Chief Executive office and their spouse(s) and minor children	7		4,000
	MR. MOHAMMAD AFZAL SHAHZAD		1,000	
	MR. SUHAIL ELAHI		500	
	MS. SABA AZAM		500	
	MR. MUHAMMED ALI		500	
	MR. NAIM ANWAR		500	
	MR. ZAHIR KHAN		500	
	MR. MOHABAT KHAN		500	
2	Associated Companies, Undertakings and related parties	NIL		
3	Executive	NIL		
4	Modarabas and Mutual Funds	NIL		
5	NIT and ICP	1		100
	INVESTMENT CORP. OF PAKISTAN		100	
6	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful and Pension Funds	21		3,185,327
7	Others	4		72,532
8	General Public	1,215		4,240,551
	Total	1,248		7,502,510

Shareholders Holding 10% or More In The Company

	Number of Shares	%
WEAVERS PAKISTAN (PRIVATE) LIMITED	2,181,394	29.08

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BAWANY AIR PRODUCTS LIMITED**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Bawany Air Products Limited** (the Company), which comprise the statement of financial position as at June 30, 2025, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit, except for the matter discussed in basis for qualified opinion.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in Basis for Qualified opinion section of our report, the statement of financial position, statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the loss and other comprehensive loss, the changes in equity, and its cash flows for the year then ended.

Basis for Qualified Opinion

As disclosed in Note 8 to the financial statements, the Company has provided advance of Rs. 3,174,110,000 to Al-man Seyyam Sugar Mills (Private) Limited (ASSML) for working capital and project completion of ASSML. This advance was funded by share deposit application money received in advance from Weavers Pakistan (Private) Limited (WPPL), major shareholder of the Company, for the purpose as given in right offer document. However, we were unable to obtain sufficient appropriate audit evidence to verify the nature, terms, conditions, and recoverability of this advance, as there is no formal agreement between the Company and ASSML outlining the repayment terms and other conditions for this advance.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan/Institute of Cost and management Accountants (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw attention to notes 1.2 and 1.3 to the financial statements, which indicate that the Company incurred a net loss of Rs. 54,048,786 and has net negative operating cash flows during the year and has also not generated any operational revenue in recent years. As stated in note 1.2 these events or conditions along with other matters as described therein indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in Basis for Qualified Opinion and Material Uncertainty Related to Going Concern, there are no Key Audit Matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The annual financial statements of the company for the year ended June 30, 2024 were audited by another firm of chartered accountants, whose audit report date October 7, 2024 expressed an unmodified opinion on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Ahsan Elahi Vohra

Chartered Accountants

Karachi

Date : November 06, 2025

UDIN : AR202510532usylSbVFJ

BAWANY AIR PRODUCTS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	<i>Note</i>	2025	2024
		----- Rupees -----	
ASSETS			
Non-current assets			
Property and equipment	6	134,158	731,795
Current assets			
Advances and other receivables	8	3,176,294,400	2,184,400
Sales tax refundable	9	-	824,547
Short-term deposits	10	-	22,500
Short term investments	11	95,223	44,189
Income tax - net	12	6,110,103	6,110,103
Cash and bank balances	13	2,201,915	21,394,906
		3,184,701,641	30,580,645
TOTAL ASSETS		3,184,835,799	31,312,440
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
1,100,000,000 (2024: 15,000,000) ordinary shares of Rs.10/- each		11,000,000,000	150,000,000
Shareholder's equity			
Issued, subscribed and paid-up capital	14	75,025,100	75,025,100
Accumulated loss		(104,279,412)	(50,230,626)
		(29,254,312)	24,794,474
Share application money	15	3,197,120,000	-
Non-current liabilities			
Deferred tax	16	-	-
Loan from associated company	17	11,596,988	-
		11,596,988	-
Current liabilities			
Accrued and other liabilities	18	600,744	1,384,247
Unclaimed dividend	19	717,420	717,420
Tanks and cylinder deposit	20	4,054,959	4,282,990
Loan from director	21	-	133,309
		5,373,123	6,517,966
TOTAL EQUITY AND LIABILITIES		3,184,835,799	31,312,440
CONTINGENCIES AND COMMITMENTS	22	-	-

The annexed notes from 1 to 38 form an integral part of these financial statements.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director

BAWANY AIR PRODUCTS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	<i>Note</i>	2025	2024
		----- Rupees -----	
Revenue		-	-
		-	-
Administrative expenses	23	(52,941,080)	(22,456,562)
Unrealized gain on revaluation of listed securities	11	51,034	8,133
Other income	24	1,474	810
Operating loss		(52,888,572)	(22,447,619)
Finance costs	25	(1,159,993)	(7,553)
Loss before income tax and levy		(54,048,565)	(22,455,172)
Levies	26	(221)	(122)
Loss before income tax		(54,048,786)	(22,455,294)
Income tax	27	-	(168,000)
Loss for the year		(54,048,786)	(22,623,294)

The annexed notes from 1 to 38 form an integral part of these financial statements.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director

BAWANY AIR PRODUCTS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		-----Rupees-----	
Loss for the year		(54,048,786)	(22,623,294)
Other comprehensive income:			
Items that will not be subsequently reclassified to statement of profit or loss		-	-
Total comprehensive loss		<u>(54,048,786)</u>	<u>(22,623,294)</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director

BAWANY AIR PRODUCTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	<i>Note</i>	2025	2024
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(54,048,565)	(22,455,172)
Adjustments for non-cash items:			
Depreciation	23	12,842	81,311
Short-term deposits written off	10.1	22,500	-
Sales tax refundable written off	9.1	824,547	-
Fixed assets written off	6.1	731,795	-
Unrealized gain on revaluation of listed securities	11	(51,034)	(8,133)
Finance costs	25	1,159,993	7,553
Operating loss before working capital changes		(51,347,922)	(22,374,441)
(Increase)/ decrease in current assets			
Advances and other receivables	8	(3,174,110,000)	(2,184,400)
Increase/ (decrease) in current liabilities			
Trade and other payables		-	(665,103)
Accrued and other liabilities		(783,503)	(10,037,576)
		(783,503)	(10,702,679)
Net cash (used in) operations		(3,226,241,425)	(35,261,520)
Finance charges paid		(1,159,993)	(7,553)
Taxes paid	27	(221)	(203,579)
Net cash (used in) operating activities		(3,227,401,639)	(35,472,652)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets	6	(147,000)	-
Net cash (used in) investing activities		(147,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Share application money	15	3,197,120,000	-
Short term deposits		(228,031)	(8,368,938)
Loan received from associated company / (repaid to) related party	17.1	11,596,988	(17,795,439)
Loan repaid to director	21.1	(133,309)	(958,439)
Net cash generated from / (used in) financing activities		3,208,355,648	(27,122,816)
Net (decrease) in cash and cash equivalents		(19,192,991)	(62,595,468)
Cash and cash equivalents at beginning of the year		21,394,906	83,990,373
CASH AND CASH EQUIVALENT AT END OF THE YEAR		2,201,915	21,394,906

The annexed notes from 1 to 38 form an integral part of these financial statements.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director

BAWANY AIR PRODUCTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid-up capital	Accumulated loss	Total Equity
	----- Rupees -----		
Balance as at June 30, 2023	75,025,100	(27,607,332)	47,417,768
Total loss for the year	-	(22,623,294)	(22,623,294)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(22,623,294)	(22,623,294)
Balance as at June 30, 2024	75,025,100	(50,230,626)	24,794,474
Total loss for the year	-	(54,048,786)	(54,048,786)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(54,048,786)	(54,048,786)
Balance as at June 30, 2025	75,025,100	(104,279,412)	(29,254,312)

The annexed notes from 1 to 38 form an integral part of these financial statements.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director

BAWANY AIR PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. STATUS AND NATURE OF BUSINESS

- 1.1** Bawany Air Products Limited (the Company) is a public limited Company, was incorporated in Pakistan on August 16, 1978 and was registered under the repealed Companies Act 1913, now the Companies Act, 2017. The Company is listed on Pakistan Stock Exchange Limited. The principal activities of the Company previously were production and trading of oxygen gas, dissolved acetylene and nitrogen gas, those had suspended in 2013, however principal line of business has been changed as described in note 1.2.1

Registered office of the company is located:

Khasra # 52-53 RCD Highway Mouza Pathra, Tehsil Hub, District, Lasbela.

Geographical location and address of business;

Office # 2nd floor, Nadir House, I.I Chundrigar Road, Karachi.

1.2 Major events took place during the year

- 1.2.1** During the year the principal line of business has been changed as under:
- a)** To carry on, to invest in and acquire and hold and otherwise deal in shares, stock, debenture, debenture stock, bonds, obligations and securities issued or guaranteed by any company, corporation, financial institution, government or any authority.
 - b)** To purchase or otherwise acquire the whole or part of the business, the assets, property assets and liabilities of any company, organization, partnership or person and to take up, carry on and exercise or to liquidate or break up any such business and in consideration of any such acquisition to pay cash or issue shares of acquire it by giving any other form of consideration or in any other way and to take up any liabilities or acquire any interests in the business of the seller or of any other business.
- 1.2.2** On August 01, 2024, a Share Purchase Agreement signed between the Company and the sponsors of the Al-Man Seyyam Sugar Mills (Private) Limited (ASSML) under which the Company agreed to acquire the entire shareholding of ASSML of 51,114,011 shares from its sponsors for a total consideration of Rs. 12 billion. Consideration will be settled in two parts, (a) Rs. 6 billion will be paid in the form of issue of shares by way of "other than right shares", (b) Rs. 6 billion will be paid in the form of cash in next two years. If shares cannot be issued, the entire amount will be paid in cash. Upon receiving first part of the consideration, the entire shareholding will be transferred to the Company
- 1.2.3** On August 26, 2024, Board of Directors of the Company resolved to issue 599,999,732 right shares of face value Rs. 10/- each in proportion of 7,997.32 shares for each 100 ordinary shares to meet the working capital requirements and project completion of ASSML.
- 1.2.4** On September 06, 2024, a subscription agreement executed between the Company and Weavers Pakistan (Private) Limited i.e., WPPL. (existing major shareholder of the Company) pursuant to which in line with the Right Offer document, share deposit money of Rs. 3,197 million has been paid to the Company as at June 30, 2025. Subsequently, out of this amount, Rs. 3,174 million has been transferred to ASSML for meeting its working capital requirements and project completion.
- 1.2.5** On December 23, 2024, the Company resolved in the EOGM to increase its authorized capital from Rs 11,000,000,000 to Rs 12,100,000,000.
- 1.2.6** On May 26, 2025, the Company issued a final Right offer document for the right issue as approved by the Board. However, on June 02, 2025, SECP issued directions to Company not to proceed with the Right issue announced through Final Offer document dated May 26, 2025 citing regulatory non-compliances and scheduled a hearing to address the concerns as highlighted in the Directions.
- After conducting a hearing, SECP on June 26, 2025 modified the earlier directions and directed the Company to proceed with the transactions of share purchase agreement and Right Offer as under:
- a)** The Company shall initiate the process of mandatory public offer by making public announcement of intention (PAI) to acquire voting shares of the Company in compliance with Section 114 of Securities Act, 2015 and regulations thereunder.
 - b)** Subsequent to making PAI by acquirers, the Company shall seek prior approval from SECP under section 83 (1)(b) of the Companies Act, 2017 for the proposed issuance of Rs. 600,000,000 ordinary shares otherwise than by way of right to the acquirer.

- c) Following the grant of approval by the commission, the acquirer shall within 60 days of the said approval, proceed to make public announcement of offer in accordance with the section 111 (a) of the Act and the applicable provisions of the takeover regulations.
- d) Upon successful completion of public offer process and submission of certification for confirming that the acquirer has fulfilled all obligations as required under section 119 (3) of the Act., ordinary shares of Rs. 600,000,000 issued by way of "other than right" would be allocated to the acquirers of the company
- e) Subsequently, the Company may proceed with the issuance of 599,999,732 ordinary shares by way of right in accordance with the original right offer document dated May 26, 2025 and enabling provisions of the Companies (Further Issue of Shares) Regulation, 2020.

1.3 Going Concern assumption

The Company incurred a loss of Rs. 54,048,786 including fee of Rs. 43 million for increase in authorized share capital during the year ended June 30, 2025 (2024: Rs. 22,623,294), resulting in accumulated losses of Rs. 104,279,412 as at the reporting date.

The Company has also not generated any operational revenue in recent years and continues to experience negative operating cash flows, and till the reporting date was classified in the PSX's defaulter counter due to the suspension of business operations for a continuous period since 2013

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, management is actively pursuing revival plans and is committed to restore operational viability under revised business arrangements. The financial statements have been prepared on the going concern basis considering the following mitigating factors:

- a) Change in the principal line of business to investment in stocks, shares, debentures, and other marketable securities.
- b) Increased the authorized share capital from Rs. 150 million to Rs. 11 billion.
- c) Company has been subsequently removed from PSX's defaulter counter and currently is placed on PSX's normal counter.
- d) The Company has also initiated the right issue of Rs. 6 billion against which an advance has been received from WPPL of Rs. 3.197 billion.
- e) The Company has entered into the Share Purchase Agreement with sponsors of ASSML for acquiring their entire shareholding of ASSML for the total consideration of Rs. 12 billion which will be settled in two parts, (a) Rs. 6 billion will be paid in the form of issue of shares by way "Other than right shares", (b) Rs. 6 billion will be paid in the form of cash in next two years.
- f) The Company expect that after the ASSML project becomes operational, being the holding Company, will be able to earn reasonable return on its investment.

Based on these actions and management's commitment to restoring operational viability, the financial statements have been prepared on a going concern basis. Accordingly, no adjustments have been made relating to the recoverability and reclassification of recorded assets, or to the amounts and reclassification of liabilities, that may be required should the Company be unable to continue as a going concern.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

These financial statements are prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in Pakistani Rupee (PKR), which is the Company's functional and presentation currency.

3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that effect the reported amounts of assets and liabilities and income and expenses. It also requires managements to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment is exercised in application of accounting policies are as follows:

- (i) depreciation method, useful lives and residual value of property, plant and equipment;
- (ii) provision for impairment of trade debts and other receivable;
- (iii) allowance for expected credit losses;
- (iv) impairment of assets;
- (v) provision for taxation; and
- (vi) contingencies.
- (vii) fair valuation
- (viii) deferred tax

These estimates and assumptions are reviewed on, an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and applied prospectively.

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

4.1 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for the accounting periods beginning on or after the date mentioned against each of them :

	Effective date (Annual periods beginning on or after)
Amendments to IFRS 9 'financial instruments: disclosures' amendments regarding classification and measurement of financial instruments	January 1, 2026
Amendments to IFRS 7 'financial instruments: disclosures' amendments regarding classification and measurement of financial instruments	January 1, 2026
IFRS 17 'Insurance contracts:	January 1, 2026

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation/ disclosures. The management is in the process of assessing the impact of changes laid down by the IFRS 9 on its financial statements.

4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective and adopted by SECP

IFRS 1 First Time Adoption of International financial reporting standards
 IFRS 17 'Insurance Contracts
 IFRS 18 'Presentation and disclosure in Financial Statements
 IFRS 19 'Subsidiaries without Public Accountability Disclosures

5 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation and presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

5.1 Property and equipment

a) Operating fixed assets - owned

These are stated at cost less accumulated depreciation and impairment loss. Cost includes expenditure, related overheads, mark-up and borrowing costs directly attributable to the acquisition of asset.

b) Depreciation on property, plant and equipment

Depreciation is charged to statement of profit or loss for the year applying the reducing balance method after taking into account the impact of residual value, if any, whereby the depreciable amount of an asset is written off over estimated useful life at the rates mentioned in the relevant note to these financial statements. Depreciation on addition is charged from the date when the asset is available for use and on disposal up to the date when the asset is classified as 'held for sale' in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' or the date when the asset is derecognized, whichever is earlier. Asset's residual values and useful lives are reviewed, and adjusted, if appropriate at each reporting date.

c) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal maintenance and repairs are charged to statement of profit or loss as and when incurred whereas major renewals and improvements are capitalized if criteria is met.

Any revaluation increase arising on the revaluation of freehold land and building on freehold land is recognized in statement of other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in statement of profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in statement of profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in statement of profit or loss. However, the decrease shall be recognized in statement of other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in statement of other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation of building on freehold land to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit directly without taking any effect in statement of profit or loss for the year.

d) Disposal

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognized in statement of profit or loss, and the related surplus on revaluation of property, plant and equipment, if any, is transferred directly to retained earnings / unappropriated profit.

5.2 Impairment of non-financial assets

The carrying amounts of non-financial assets other than stock in trade and deferred tax asset, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.3 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprises of cash in hand, cash with banks in current accounts

5.4 Employee retirement benefits

Defined contribution plan

The Company operates a recognized provident fund for all its eligible employees. Equal monthly contributions are made by the Company and the employees at the rate of 10% of the employees' basic salary. The Company's required contribution to the fund is charged to the profit or loss for the year.

Compensated absences

Accrual is made for employees compensated absences on the basis of accumulated leaves and the last drawn pay in accordance with the Company policy.

5.5 Taxation

a) Current

Provision for current taxation is computed in accordance with the provisions of Income Tax Ordinance, 2001. The charge for current income tax is recorded after adjustment, if any, to the provision for tax made in prior years including those arising from assessment and amendments in assessments during the year in such years.

b) Deferred

The Company accounts for deferred taxation on all temporary differences using balance sheet method. Deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available and the credits can be utilized.

5.6 Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income, or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax is classified as levy in the statement of profit or loss as these levies fall under the scope of IFRIC 12 / IAS 37

5.7 Trade and other payables

These are recognized and carried at cost which is fair value of the consideration to be paid in future for goods and services received.

5.8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation \ as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at the reporting date and adjusted to reflect the best estimate.

5.9 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.10 Financial instruments

(a) Classification and initial measurement

The Company classifies its financial assets in to following three categories;

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

Financial assets at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

It is held within business model whose objective is to hold assets to collect contractual cash flows; and
Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

For assets measured at fair value, gain or loss will either be recorded in the unconsolidated statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) Subsequent measurement**Financial assets at FVOCI**

These assets are measured at fair value, with gain or loss arising from changes in fair value recognized in the Financial statement of other comprehensive income.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain or loss, including any interest/ mark-up or dividend income, are recognized in the Financial statement of profit or loss.

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/ mark-up income, foreign exchange gain or loss and impairment are recognized in the Financial statement of profit or loss.

(c) Financial liabilities

Financial liabilities are classified as "measured at amortized cost" or "measured at fair value through profit or loss". A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or loss, including any interest expense, are recognized in the Financial statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been subsequently modified.

5.11 Impairment**(a) Financial assets**

The Company recognizes loss allowances for expected credit loss (ECL) in respect of financial assets measured at amortized cost.

The Company applies the simplified approach to recognize lifetime expected credit loss for trade debts. The Company assesses on a forward looking basis the expected credit loss associated with its financial assets.

The Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Allowances for ECL financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event of the Company.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss are charged in the Financial statement of profit or loss.

5.12 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle liabilities simultaneously. Incomes and expenses arising from such assets and liabilities are also offset accordingly.

BAWANY AIR PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

6 PROPERTY AND EQUIPMENT

Particulars	Cost			Accumulated Depreciation					Rate %
	As at beginning of year	Addition / (Disposal) / (Adjustment) during the year	As at end of year	As at beginning of year	Depreciation on disposals / Adjustments	Charge for the year	As at end of year	Net Book Value as at end of year	
----- Rupees -----									
<u>FOR THE YEAR 2025</u>									
Furniture and fixture	2,343,158	19,000 (2,343,158)	19,000	1,928,971	(1,928,971)	1,742	1,742	17,258	10
Office equipment	2,377,246	128,000 (2,377,246)	128,000	2,059,638	(2,059,638)	11,100	11,100	116,900	10
	4,720,404	(4,573,404)	147,000	3,988,609	(3,988,609)	12,842	12,842	134,158	
<u>FOR THE YEAR 2024</u>									
Furniture and fixture	2,343,158	-	2,343,158	1,882,950	-	46,021	1,928,971	414,187	10
Office equipment	2,377,246	-	2,377,246	2,024,348	-	35,290	2,059,638	317,608	10
	4,720,404	-	4,720,404	3,907,298	-	81,311	3,988,609	731,795	

- 6.1** During the year, company has shifted its office and discarded furniture and fixture and office equipment of written down value of amounting Rs. 731,795 and charged the amount to administrative expenses.

	<i>Note</i>	2025	2024
		----- Rupees -----	
7 TRADE DEBTS			
Unsecured			
Considered doubtful		-	1,502,581
Provision for doubtful debts	7.1	-	-
Debts written off		-	(1,502,581)
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
7.1 Provision for doubtful debts			
Balance at beginning of year		-	1,502,581
Debts written off		-	(1,502,581)
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
8 ADVANCE AND OTHER RECEIVABLES			
Advance to related party	8.1	3,174,110,000	-
Other receivables	8.2	2,184,400	2,184,400
		<u>3,176,294,400</u>	<u>2,184,400</u>

8.1 Advance to related party

This represents advance given to Alman Seyyam Sugar Mills (Private) Limited (ASSML) as advance for working capital requirement and Capital expenditure required for procurement of plant and machinery for project completion of ASSML, as depicted by the purpose defined in the Right Offer document dated May 26, 2025.

8.2 This represents short term security deposit refundable from K Electric.

9 SALES TAX REFUNDABLE - 824,547

9.1 More than 10 years ago, tax authorities had conducted sales tax audit of the company and deducted an amount from their bank account, on account of which company has recorded sales tax refundable amounting to Rs. 824,547 said amount has been written off during the year.

10 SHORT-TERM DEPOSITS - Unsecured

Others - 22,500

10.1 This pertains to short term deposits held with Central Depository Company and Mobilink, written off during the year

11 SHORT TERM INVESTMENTS

Equity investments at fair value through profit or loss

Cost of investment Rupees	June 30, 2025	June 30, 2024	Name of investee company	June 30, 2025	June 30, 2024	Unrealized gain/(loss)
	No. of shares			Fair Market Value		
				Rupees	Rupees	
769	268	268	Faysal Bank Ltd.	18,685	14,054	4,631
1,636	657	603	Sui Southern Gas Pipelines Ltd.	28,113	5,716	22,397
17,777	1,398	1,398	First Fidelity Leasing Modaraba Ltd.	5,480	2,978	2,502
15,153	1,311	1,311	First Equity Modaraba Ltd.	6,371	3,422	2,949
756	419	419	K-Electric Ltd.	2,200	1,940	260
-	156	156	Pakistan Oxygen Ltd.	31,334	12,555	18,779
2,795	290	290	SAMBA Bank Ltd.	2,770	3,381	(611)
299	15	15	Ghani global holdings Ltd.	270	143	127
39,185	4,514	4,460		95,223	44,189	51,034

11.1 During the year, company has transferred its physical shares held in share market into Central Depository Company.

		Note	2025	2024
			----- Rupees -----	
12	INCOME TAX - NET			
	Income tax refundable		6,110,103	6,074,646
	Advance Income tax deducted during the year		-	35,457
	Provision for taxation		-	-
			<u>6,110,103</u>	<u>6,110,103</u>
13	CASH AND BANK BALANCES			
	Cash at bank - current accounts		2,188,448	21,067,786
	Cash in hand		13,466	327,120
			<u>2,201,914</u>	<u>21,394,906</u>
14	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
	2025	2024		
	No. of shares			
		Ordinary shares of Rs.10/- each :		
	5,336,769	5,336,769	- Fully paid in cash	53,367,690
	250,000	250,000	- For consideration other than cash	2,500,000
	1,915,741	1,915,741	- Bonus shares issued	19,157,410
	<u>7,502,510</u>	<u>7,502,510</u>	<u>75,025,100</u>	<u>75,025,100</u>
15	SHARE APPLICATION MONEY			
	Advance against issue of shares	15.1	3,197,120,000	-

- 15.1** On August 26, 2024, the Board of Directors of Bawany Air Products Limited (the Company) approved the issuance of 599,999,732 new ordinary shares by way of a rights issue to existing shareholders. The shares are being offered at a price of PKR 10 per share, which is at par value, for a total issue size of PKR 5,999,997,320. The rights issue is being made at a ratio of 7997.32 new shares for every 100 shares currently held. The rights issue is being underwritten by Dawood Equities Limited.

The primary purpose of the funds raised from this issue is to meet working capital requirements and to finance the completion of a project of Alman Seyyam Sugar Mills (Private) Limited (ASSML). The proceeds will be used for capital expenditure for the procurement of plant and machinery, as well as for the working capital needs of ASSML as indicated in the Rights Offer Document.

Under a separate agreement dated September 10, 2024, between the Company and Weavers Pakistan (Pvt.) Ltd. (WPPL), wherein WPPL has agreed to advance up to PKR 3,400,000,000 to the Company for the subscription of the right shares. As a substantial shareholder and sponsor of holding 29% shares of the Company, WPPL will be issued right shares equivalent to their entitlement under right issue and in addition, they will also subscribe the remaining unsubscribed shares if offered to them.

While getting the approval for the Right Offer document, the SECP noted that the right shares have been offered to the shareholders before issuing shares for a total value of Rs. 600 million to the sponsors of ASSML under a separate share purchase agreement. SECP after recording a number of regulatory deficiencies, issued directions to the Company not to proceed with the right issue as approved by the Board on August 26, 2024 and directed to issue first shares by way of "other than right issue" to the sponsors of ASSML. Although after the issue of shares for "other than right issue", the ratio of shareholding of present shareholders will be materially changed and on the fresh date of book closure the new shareholders will also become entitled for the right shares which will be offered subsequently as directed by SECP. but the Management has reached an understanding with the new shareholders of the Company that they will decline the right offered and WPPL would be allowed to subscribe the right shares as per original plan.

In any other case, if the new shareholders also take up and subscribe the shares against the right issue, the shareholding percentage of WPPL would stand substantially reduced to a marginal percentage of 0.359% and in that case the share application money received amounting to Rs. 3.175 billion from WPPL shall become immediately refundable to them.

	<i>Note</i>	2025	2024
		----- Rupees -----	
16 DEFERRED TAX			
Taxable temporary differences:			
Accelerated depreciation on property and equipment		6,400	212,221
Effect of revaluation of Listed securities		14,800	-
		21,200	-
Deductible temporary differences:			
Effect on carried forward tax losses		(11,980,159)	(21,336,254)
Net deferred tax (asset)/ liability		(11,958,959)	(21,336,254)
Deferred tax asset not recognized		11,958,959	21,336,254
		-	-
16.1	The Company has not recognized its deferred tax asset relating to deductible temporary differences unused tax losses amounting to Rs. 11.965 million (2024: Rs. 21.124) million as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.		
17 LOAN FROM RELATED PARTY	17.1	11,596,988	-
17.1	Balance at the beginning of the year	-	17,795,439
	Loan received	16,558,000	-
	Interest charged	1,156,255	-
	Loan repaid	(6,117,267)	(17,795,439)
		11,596,988	-
17.2	The company has obtained loan from Weavers Pakistan (Pvt.) Limited - Associated Company as disclosed in Note 30.3 of the Financial Statements in order to meet its routine expenses and for fee for increase in authorized share capital, the loan carried a mark-up of KIBOR+3% on daily product basis and will be repaid by company to its associated company on a mutually agreed date.		
18 ACCRUED LIABILITIES			
	Remuneration payable to directors	-	700,321
	EOBI payable	740	4,840
	Audit fee payable	600,000	356,400
	Other accrued liabilities	-	322,681
		600,740	1,384,242
19	Includes unclaimed dividend amounting to Rs. 717,420 (2024: Rs. 717,420) outstanding for more than 3 years from the date of declaration.		
20 TANKS AND CYLINDER DEPOSIT		4,054,959	4,282,990
20.1	These are non-interest bearing and are repayable to customers on return of processing tanks and cylinders or on termination of sale agreement.		

		Note	2025	2024
			----- Rupees -----	
21	LOAN FROM DIRECTOR			
		21.1	-	133,309
21.1	Balance at the beginning of the year		133,309	1,091,748
	Loan repaid during the year		(133,309)	(958,439)
			-	133,309
21.2	The loan is unsecured, interest free and repayable on demand. Loan was given by the Director to facilitate the Company for fulfilling its working capital requirements			
22	CONTINGENCY AND COMMITMENT			
	There is no contingency and commitment as at June 30, 2025 (2024: Nil)			
23	ADMINISTRATIVE EXPENSES			
	Salaries and other benefits		2,134,495	3,576,700
	Director remuneration		-	13,205,858
	Sales tax refundable write off	9.1	824,547	-
	Electricity, gas and water		28,280	354,314
	Repairs and maintenance		8,260	415,751
	Communication		162,258	213,208
	Vehicle running and maintenance		90,314	-
	Fees, subscription and periodicals	23.1	44,901,032	1,646,757
	Rent, rates and taxes		436,132	505,584
	Auditors' remuneration	23.2	764,400	520,800
	Traveling and conveyance		400,785	1,437,821
	Printing and stationery		82,490	81,554
	Legal and professional charges		1,287,500	271,280
	Advertisement		676,660	57,500
	Fixed assets written off	6.1	731,795	-
	Short term deposits - CDC and Mobilink write off		22,500	-
	Others expenses		376,790	88,124
	Depreciation	6	12,842	81,311
			52,941,080	22,456,562
23.1	This includes expense related to fees for increase in authorized share capital of the company amounting to Rs.43,860,580 paid to Securities and Exchange Commission of Pakistan.			
23.2	Auditors' remuneration			
	Audit fee		600,000	412,800
	Half year review fee		108,000	108,000
	Others		56,400	-
			764,400	520,800
23.3	This includes penalty imposed by SECP on company and ex-directors amounting to Rs. 240,000.			
24	OTHER INCOME			
	Dividend income		1,474	810
25	FINANCE COST			
	Mark-up on due to provident fund		-	1,664
	Interest on short term loan	17	1,156,255	-
	Bank charges		3,738	5,889
			1,159,993	7,553

	Note	2025	2024
		----- Rupees -----	
26 LEVIES:			
Final tax	26.1	221	122

26.1 This represents Final tax paid under Section 5 of Income tax ordinance 2001 (ITO 2001)

27 TAXATION

Current tax

- Current	-	-
- Prior year	-	168,000
	-	168,000
-Deferred tax	-	-
	-	168,000

28 (LOSS)/ EARNINGS PER SHARE - BASIC AND DILUTED

Basic earnings per share

There is no dilutive effect on the basic (loss)/ earnings per share of the Company, which is based on:

(Loss) for the year - Rupees	(54,048,786)	(22,623,294)
Weighted average number of ordinary shares (Number)	7,502,510	7,502,510
(Loss) / Earning per share - Rupees	(7.20)	(3.02)

Diluted earnings per share

Diluted earnings per share has not been presented as the company did not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024

29 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVE

	Chief Executive Officer		Director	
	2025	2024	2025	2024
	----- Rupees -----			
Remuneration	-	1,562,911	-	1,687,943
House rent	-	703,310	-	759,574
Utilities allowance	-	156,291	-	168,795
Vehicle allowance	-	3,240,000	-	2,400,000
Salary Arrears	-	1,214,920	-	1,312,114
	-	6,877,432	-	6,328,426
No. of persons	1	1	1	1

29.1 During the year chief executive officer and the director are not provided free use residential utility and telephone bills (2024: Rs. 2.09 million).

29.2 No fees have been paid to any of the directors during the year (2024: nil) for attending boards' meetings.

29.3 No remuneration has been paid to non-executive directors of the Company during the year (2024: Nil).

30 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associates, post-employment benefit funds, directors and key management personnel (including their associates). The Company carries out transactions with related parties at agreed terms. Amount due from and to these related parties are shown under receivables and payables and the remuneration of Directors, Chief Executive Officer and Executives are disclosed in note 29.

30.1 Name of Related party	Note	Nature of Relationship
Weavers Pakistan (Private) Limited		Associated Company (29.08%)
Crescent Star Insurance Limited.		Related party by nature of common directorship
Dost Steels Limited		Related party by nature of common directorship
Crescent Star Foods (Pvt) Limited.		Related party by nature of common directorship
Crescent Star Luxury (Pvt) Limited.		Related party by nature of common directorship
Crescent Star Technologies (Pvt) Limited.		Related party by nature of common directorship
Alman Seyyam Sugar Mills (Pvt.) Ltd.		Related party by nature of common directorship
Elahi Noor Enterprises (Pvt) Limited		Related party by nature of common directorship
ZKB Construction (Pvt) Ltd.		Related party by nature of common directorship
Invigo Energy (Pvt) Ltd.		Related party by nature of common directorship
Millennium Sec. Ser. (Pvt) Ltd.		Related party by nature of common directorship
Swat Motorway and Related Tourism Infrastructure Development (Pvt) Ltd.		Related party by nature of common directorship
Zahir Khan & Brothers ZKB (Pvt) Ltd.		Related party by nature of common directorship
ZKB Cement (Pvt) Ltd.		Related party by nature of common directorship
ZKB Energy Development (Pvt) Ltd.		Related party by nature of common directorship
ZKB Town (Pvt) Ltd.		Related party by nature of common directorship
Quetta City Developers (Pvt) Ltd		Related party by nature of common directorship
Wim Marketing (Pvt) Ltd.		Related party by nature of common directorship
ZKB Development and Management Company (Pvt) Ltd.		Related party by nature of common directorship
ZKB Minerals (Pvt) Ltd.		Related party by nature of common directorship
Kdotco (Pvt) Ltd.		Related party by nature of common directorship
ABC Construction (Pvt) Ltd.		Related party by nature of common directorship
Minecore Resources (Pvt) Ltd		Related party by nature of common directorship
Mohabat Khan (SMC-Pvt) Ltd.		Related party by nature of common directorship
Bawany Management (Private) Limited	30.1.1	Related party by nature of common directorship
Employees retirement benefit plan		Provident fund
Hanif Y. Bawany	30.1.2	Chief Executive Officer
Naim Anwar		Chief Executive Officer
Mohabbat Khan		Independent director
Saba Azam		Independent director
Zahir Khan		Non-executive director
Muhammad Ali		Non-executive director
M. Afzal Shehzad		Non-executive director
Suhail Elahi		Non-executive director
Muhammad Munir Ismail		Key management personnel

30.1.1 The company was related party in the year ended June 30, 2024, however, relationship was ceased during the year, transactions with said person and balances are disclosed in 30.2

30.1.2 The person was Chief Executive Officer in the year ended June 30, 2024, however relationship was ceased as CEO has resigned on July 29, 2024, transactions with said person and balances are disclosed in the note 30.2

30.2 Following are the related parties with whom the Company had entered into transaction otherwise stated elsewhere:

30.2.1 Transactions with related parties

Name	Nature of relationship	Nature of transaction	For the year ended	
			2025	2024
			----- Rupees -----	
Crescent Star Insurance Limited.	Related party by nature of common directorship	Office rent payment	350,000	-
Weavers Pakistan (Pvt.) Limited	Associated Company (29.08%)	Share application money received for future issue of right shares	3,197,120,000	-
Alman Seyyam Sugar mills (Pvt.) Limited	Related party by nature of common directorship	Advance for working capital and capital expenditure paid	3,174,110,000	-
Weavers Pakistan (Pvt.) Limited	Associated Company (29.08%)	Loan received in order to meet routine expenses and expenses for issuance of right share	16,558,000	-
		Loan Repayment	6,117,267	-
		Interest charged	1,156,255	-
Bawany Management (Private) Limited	Related party by nature of common directorship	Loan repaid	-	17,795,439
Hanif Y. Bawany	Chief Executive Officer	Loan repaid	133,309	958,439

30.2.2 Balances with related parties:

			For the year ended	
Name	Nature of relationship	Nature of transaction	2025	2024
----- Rupees -----				
Weavers Pakistan (Pvt.) Limited	Associated Company (29.08%)	Share application money	3,197,120,000	-
Alman Seyyam Sugar mills (Pvt.) Limited	Related party by nature of common directorship	Advance for working capital and capital expenditure paid	3,174,110,000	-
Weavers Pakistan (Pvt.) Limited	Associated Company (29.08%)	Loan payable	11,596,988	-
Hanif Y. Bawany	Chief Executive Officer	Loan payable	-	133,309

31 PROVIDENT FUND

The following information is based on latest financial statements of the fund:

	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
	----- Rupees -----	
Size of the fund - total assets	-	142,458
Cost of the investment made	-	-
Percentage of investments made	-	0%
31.1 The break-up of fair value of investments is:		
Bank balances/ deposits	-	142,458
	-	100.00%
Receivable from the Company	-	-
	-	0.00%

Note **2025** **2024**
----- Rupees -----

32 FINANCIAL RISK MANAGEMENT

32.1 Financial instruments by category

FINANCIAL ASSETS

Through Amortized cost

Short-term deposits	-	22,500
Advance and other receivables	3,176,294,400	2,184,400
Cash and bank balances	2,201,915	21,394,906
	3,178,496,315	23,601,806

Fair value through profit or loss

Short term investments	95,223	44,189
	3,178,591,538	23,645,995

FINANCIAL LIABILITIES

Through Amortized Cost

Accrued and other liabilities - other than related parties	600,744	1,384,246
Unclaimed dividend	717,420	717,420
Short-term deposits	4,054,959	4,282,990
Loan from director	-	133,309
	5,373,123	6,517,965

32.2 Financial risk management

The board of directors have an overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the board in discharging its oversight responsibility, the management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

32.2.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is not exposed to foreign currency risk as at the date of statement of financial position.

b) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant interest-bearing assets or liabilities in the financial year 2024.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rate at the reporting date would not affect statement of profit and loss.

Cash flow sensitivity analysis for variable rate instruments

The Company does not account for any variable rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rate at the reporting date would not affect statement of profit and loss.

c) Other price risk

The Company is not significantly exposed to equity securities price risk because it has a very small amount of investment in equity securities, which has been classified as fair value through profit or loss and has already been marked to market.

32.2.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

a) Concentration of credit risk

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from short-term deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2025	2024
	----- Rupees -----	
Short-term deposits	-	22,500
Advance and other receivables	<u>3,174,110,000</u>	<u>-</u>
	<u>3,174,110,000</u>	<u>22,500</u>

b) The deposits are exposed to credit risk and details of their quality is as follows:

Parties	Credit Quality		
Others	Deposits to vendors from whom services are being obtained	<u>-</u>	<u>22,500</u>

The credit quality of Company's bank balances assessed with reference to Pakistan Credit Rating Agency (PACRA) as at June 30, 2025 is as follows:

Banks	Credit Rating (Short term)		
MCB Bank Limited	A1+	647	647
United Bank Limited	A1+	1,926,423	10,496,539
Meezan Bank Limited	A1+	3,883	2,881,530
National Bank of Pakistan	A1+	253,070	7,689,070
Bank Makramah Ltd.	A-3	4,425	-
		<u>2,188,448</u>	<u>21,067,786</u>

32.2.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure to always have sufficient liquidity to meet its liabilities when due. As at reporting date, the Company is exposed to liquidity risk, however, the Company is in the process of negotiating credit lines to meet its financial obligation.

The details of company's non-interest/mark-up bearing liabilities are as follows:

	Within 1 year	1 to 5 years	over 5 years	Total
	----- Rupees -----			
As of June 30, 2025				
Short-term deposits	4,054,959	-	-	4,054,959
Accrued and other liabilities	600,744	-	-	600,744
Unclaimed dividend	717,420	-	-	717,420
Loan from director	-	-	-	-
	<u>5,373,123</u>	<u>-</u>	<u>-</u>	<u>5,373,123</u>
As of June 30, 2024				
Short-term deposits	4,282,990	-	-	4,282,990
Accrued liabilities	683,925	-	-	683,925
Unclaimed dividend	717,420	-	-	717,420
Due to related parties	833,630	-	-	833,630
	<u>6,517,965</u>	<u>-</u>	<u>-</u>	<u>6,517,965</u>

33 FAIR VALUE MEASUREMENT

33.1 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all the financial assets and liabilities reported in the financial statements approximate their fair values.

In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its financial and non-financial assets in terms of following fair value hierarchy:

Level 1:	Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

33.2 Fair value of non-financial assets

There is no non financial assets measured at fair value on a recurring basis.

34 CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	2025	2024
	----- Rupees -----	
Total debts	-	6,517,966
Total Equity	(29,254,312)	24,794,474
	<u>(29,254,312)</u>	<u>31,312,440</u>

35 SUBSEQUENT EVENTS

As directed by SECP, in their revised direction of June 26, 2025, necessary proceedings have been initiated by the Company for getting approval for issue of 600,000,000 shares other than right shares

The sponsors of ASSML (the Acquirer) have also initiated steps to comply with the requirement public announcement of intention (PAI) to take over the specified shares of the Company and the proceedings are still in progress.

Once the above two requirements are successfully completed, the Company will then proceed for issuance of 599,999,732 ordinary shares by way of right to all shareholders who were offered rights as per the original offer document of May 26, 2025.

36 NUMBER OF EMPLOYEES

The numbers of employees at the year ended were 2 (2024: 2) and average number of employees during the year were 2 (2024: 2).

37 GENERAL

37.1 Figures in these financial statements have been rounded off to the nearest of a Pak Rupee, unless otherwise stated.

37.2 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and to reflect the substance of the transactions. However there are material reclassification to report in these financial statements;

Note	Reclassification		Nature	Rupees
	From	To		
23	Salaries and benefits	Director's remuneration	Better presentation	13,205,858

38 AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on November 05, 2025 by the Board of Directors of the Company.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director



BAWANYAIR

PRODUCTS LIMITED

Form of Proxy

The Director
Bawany Air Products Limited
Office, 2nd Floor, Nadir House
I.I.Chundrigar Road

Please quote Folio No.

Reason for shortfall

No. of shares _____

I / We _____ of
_____ being a member(s) of
Bawany Air Products Limited ("Company"), holding _____ Ordinary Share(s) as per Register
Folio No. _____ hereby appoint Mr./Ms. _____
Folio No. (if member) _____ of _____ or failing him / her,
Mr. Ms. _____ Folio No. (if member)
_____ as my / our proxy in my / our absence to
attend and vote for me / us, and on my / our behalf at 47th Annual General Meeting of the Company to be held on
the **27th day of November 2025** and at any every adjournment thereof.

Signed by _____
Signed under my / our hand this the _____ day of _____, 2025

Witness – 1

Name : _____
CNIC : _____
Address : _____

Witness – 2

Name : _____
CNIC : _____
Address : _____

Signature across
Revenue Stamp

NOTE:

- The signature should match with the specimen signature registered with the company.
- A Proxy need not be a member of the Company
- Proxy Forms properly completed should be deposited at the office of the Company's Share Registrar, F.D. Registrar Services (Pvt) Limited, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000, not later than 48 hours (excluding closed days) before the time for holding the Meeting for adjourned Meeting and in default the instrument of Proxy shall not be treated as valid.

For Beneficial Owners as per CDC List

In addition to the above, the following requirements must be met:

- Attested copies of valid CNIC or the Passport of the beneficial owners and the Proxy shall be submitted with the Company's Share Registrar not less than 48 hours (excluding closed days) before the Meeting.
- The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the Form.
- The Proxy shall produce his / her original and valid CNIC or Passport at the time of the Meeting.
- In case of corporate entity, the Board of Director's Resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form to the Company's Registrar.

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